

Message Text

CONFIDENTIAL

PAGE 01 STATE 191592
ORIGIN NEA-10

INFO OCT-01 ISO-00 FEA-01 ACDA-07 CIAE-00 INR-07 IO-13
L-03 NSAE-00 NSC-05 EB-08 NRC-05 OES-07 DODE-00
ERDA-05 SS-15 SP-02 AGRE-00 LAB-04 HEW-04 HUD-01
DOTE-00 TRSE-00 AID-05 COME-00 NAS-01 OPIC-03
FAA-00 /107 R

DRAFTED BY NEA/IRN: C W NAAS:RR
APPROVED BY NEA/IRN: C W NAAS
PM/NPO - L NOSENZO
-----010108 130057Z /73
P 122102Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY TEHRAN PRIORITY

C O N F I D E N T I A L STATE 191592

E.O. 11652: GDS

TAGS: USIRJC, TECH

SUBJECT:NEGOTIATIONS ON BILATERAL AGREEMENT ON NUCLEAR
ENERGY

1. DURING MEETING OF ENERGY COMMITTEE AUGUST 8-10, WE HAD
TWO LENGTHY DISCUSSIONS ON BILATERAL AGREEMENT ON PEACEFUL
USES OF ATOMIC ENERGY. AT FIRST SESSION US REPRESENTATIVES
EXPLAINED PRINCIPAL FEATURES OF ADMINISTRATION'S NUCLEAR
POLICY, INCLUDING EXPORT OF NUCLEAR TECHNOLOGY, AND
PRESENTED TO ETEMAD A WORKING PAPER ENTITLED, "LEGISLATION
ON NEW AGREEMENTS" AS A BASIS FOR GENERAL DISCUSSION
(SEPTTEL HAS TEXT). MEETING WAS VERY CORDIAL AND IN BRIEF
REVIEW OF THIS WORKING PAPER ETEMAD OF COURSE FOCUSED ON
POINT 7 BUT APPEARED, BY AND LARGE, NOT TO HAVE SERIOUS
PROBLEMS WITH OTHER ASPECTS. HE WAS PLEASED THAT THE NRC
LICENSING PROCEDURES WENT FAR TOWARD MEETING HIS CONCERNS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 191592

AND THAT WE HAD SIMPLIFIED, AS FAR AS HE WAS CONCERNED,
PHYSICAL SECURITY REQUIREMENTS. (SEE ARTICLE 7 OF
DRAFT MODEL AGREEMENT WHICH IS BEING POUCHED TO YOU
SEPARATELY. YOU WILL RECALL THAT LAST YEAR ETEMAD EXPRESSED
CONCERN THAT THE PHYSICAL SECURITY REQUIREMENTS MIGHT BE
DIFFERENT FOR EACH NUCLEAR SUPPLIER WHICH WOULD CONSTITUTE
AN ONEROUS ADMINISTRATIVE PROBLEM FOR HIM. SINCE THAT TIME

WE HAVE CONCLUDED THAT DOCUMENT INFCIRC/225 OF THE IAEA WILL BE THE GUIDING CRITERION FOR PHYSICAL SECURITY.) ALSO, HE WAS GRATIFIED THAT INCREASED US ENRICHMENT CAPACITY WOULD PERMIT FIRM, LONG-TERM FUEL COMMITMENTS AND THAT LICENSES FOR EXPORT COULD BE ISSUED AT TIME REACTORS ORDERED.

2. FOLLOWING THE CONCLUSION OF THE FIRST SESSION WE GAVE TO ETEMAD A DRAFT OF THE NEW MODEL AGREEMENT EMPHASIZING THAT THIS DRAFT WAS SENIOR WORKING LEVEL DOCUMENT WHICH MIGHT BE LATER CHANGED BY THE LEGISLATION OR THE REVIEW BY SENIOR POLICY PRINCIPALS. HOWEVER, WE NOTED, WE WANTED HIM IN LIGHT OF OUR DESIRE TO SHARE WITH HIM FRANKLY WHERE WE STAND NOW, TO HAVE THIS TO REVIEW AT HIS CONVENIENCE LATER ON FOR IT CONTAINED WHAT WE BELIEVED WILL BE THE PRINCIPLE FEATURES OF THE NEW LEGISLATION. WE ALSO PRESENTED ETEMAD A WORKING PAPER ON "ALTERNATIVES FOR SPENT FUEL DISPOSITION" WHICH IS BEING SENT TO YOU BY SEPTTEL.

3. WE HAD HOPED THAT SECOND SESSION ON AFTERNOON OF AUGUST 10 COULD FOCUS ON THIS LATER PAPER. WE WERE PREPARED AS WELL, TO ADD TO IT A BRIEF SECTION ALONG THE FOLLOWING LINES "IF ALL OTHER OPTIONS DO NOT PROVE POSSIBLE, REPROCESSING (COULD TAKE PLACE) IN THE U.K.,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 191592

FRANCE, OR OTHER MUTUALLY ACCEPTABLE THIRD COUNTRY WITH THE DISPOSITION OF PLUTONIUM TO BE SUBJECT TO AGREEMENT OF THE PARTIES" IN WHAT WE BELIEVED WAS A FORTHCOMING EFFORT TO INDICATE TO HIM THAT WE WERE LOOKING AHEAD COOPERATIVELY TO THE REPROCESSING ISSUE. (EARLIER IN DISCUSSIONS ETEMAD STRONGLY REAFFIRMED IRAN'S INTENT NOT TO REPROCESS SPENT FUEL IN IRAN.) HOWEVER, ETEMAD LAUNCHED INTO LONG, EMOTIONAL, AND AT TIMES BITTER, MONOLOGUE ON IRAN'S INSISTENCE THAT IT MUST MANAGE INDEPENDENTLY THE END OF THE FUEL CYCLE. HE REITERATED ON SEVERAL OCCASIONS "YOU TELL ME WHAT I CAN DO AND WHAT YOU WON'T LET ME DO IN THE AGREEMENT; WE WILL DECIDE THEN WHETHER WE CAN ACCEPT THE AGREEMENT. BUT AFTER THAT IRAN'S SOVEREIGNTY DEMANDS THAT IT MANAGE INDEPENDENTLY ITS OWN PROGRAM." NUMEROUS EFFORTS ON OUR PART TO GET HIM TO BE MORE PRECISE ON WHAT WAS BOTHERING HIM AND WHAT HE WOULD LIKE TO SEE IN THE AGREEMENT WERE SIMPLY REBUFFED BY HIM. WE DID FLOAT THE ABOVE MENTIONED THOUGHT ON REPROCESSING BUT HE SEEMED TO PAY LITTLE ATTENTION TO IT. THE MEETING ENDED WITH THE UNDERSTANDING THAT HE "MIGHT" LOOK OVER THE DRAFT MUTUAL AGREEMENT, THAT HE WOULD BE RECEPTIVE TO FURTHER

ALTERNATIVES FROM US ON PROBLEMS, THAT HE UNDERSTOOD CONGRESSIONAL ACTION HAD TO BE COMPLETED BEFORE WE COULD DISCUSS IN DETAIL THE FINAL TEXT AND HE REAFFIRMED HIS DESIRE TO REACH AGREEMENT WITH US.

4. WE ARE FRANKLY SOMEWHAT BEWILDERED BY HIS ATTITUDE AND CONDUCT IN THE SECOND SESSION. HE WAS TIRED AND ILL AND THIS UNDOUBTEDLY PLAYED A ROLE. BUT, IT IS ALSO CONCEIVABLE HE HAD VERY CALCULATEDLY DECIDED, IN VIEW OF THE PROGRESS MADE SINCE THE LAST SESSION CONCERNING THE FRONT END OF THE FUEL CYCLE (DIMINISHMENT OF NRC AUTHORITY AND INCREASED U.S. ENRICHMENT CAPACITY) AND PHYSICAL SECURITY MEASURES, HE COULD ASSUME A VERY TOUGH
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 191592

STANCE ON THE REMAINING ISSUES. HE WAS COGNIZANT THAT WE ARE NOT PRESENTLY IN A POSITION TO DISCUSS IN DETAIL A FUTURE AGREEMENT AND MAY SIMPLY HAVE BEEN LOOKING AHEAD TO THAT TIME. HOWEVER, WE SHOULD NOT DISCOUNT THE POSSIBILITY THAT PHILOSOPHICALLY THE TWO SIDES MAY IN FACT BE FAIRLY FAR APART WITH THE IRANIANS INSISTING ON THE UTMOST OF INDEPENDENCE AND TRUST ON OUR PART IN VIEW OF THEIR RECORD AND NPT ADHERENCE. ON THE OTHER HAND, OUR POLICY AND THE LEGISLATION THAT IS LIKELY TO RESULT TENDS TO CALL FOR GREATER U.S. VOICE IN THE SENSITIVE STAGES OF THE FUEL CYCLE WHENEVER OUR EQUIPMENT OR FUEL IS INVOLVED. THERE IS ROOM FOR MANEUVE& FOR BOTH OF US WITHIN THESE TWO APPROACHES BUT CLEARLY FURTHER NEGOTIATIONS MAY BE TOUGH AND EXTENDED.

5. SINCE THE ISSUES ARE HIGHLY TECHNICAL AND THE LEGISLATION IS NOT COMPLETE, WE RECOMMEND THAT YOU NOT ATTEMPT TO GET INTO ANY DETAILED DISCUSSION WITH ETEMAD. AT EVERY APPROPRIATE OPPORTUNITY WITH GOI OFFICIALS YOU WILL WANT TO NOTE OUR CONTINUED STRONG INTEREST IN ACHIEVING AN AGREEMENT AS PART OF THE PARTICULARLY CLOSE RELATIONSHIP BETWEEN OUR TWO COUNTRIES, AND EMPHASIZE THE RECOGNITION WE GIVE TO IRAN'S STRONG STANCE ON NON-PROLIFERATION, AND ITS HELPFUL POSITION ON REPROCESSING. CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, NUCLEAR ENERGY, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE191592
Document Source: CORE
Document Unique ID: 00
Drafter: C W NAAS:RR
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770291-0955
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770866/aaaacdis.tel
Line Count: 161
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1d39755b-c288-dd11-92da-001cc4696bcc
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1612900
Secure: OPEN
Status: NATIVE
Subject: NEGOTIATIONS ON BILATERAL AGREEMENT ON NUCLEAR ENERGY
TAGS: TECH, US, IR, USIRJC
To: TEHRAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1d39755b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009